

**THE BRENTWOOD VILLAGE
PROPERTY AND BUSINESS IMPROVEMENT
DISTRICT**

2013-2022

*District being renewed pursuant to Section 36600 et seq.
of the California Streets and Highways Code
The Property and Business Improvement District Law of 1994*

**DISTRICT
ASSESSMENT ENGINEER'S
REPORT**

ATTACHMENT 1

*Report Prepared by
Edward V. Henning,
California Registered Professional Engineer # 26549
Edward Henning & Associates*

April 23, 2012

THE BRENTWOOD VILLAGE PROPERTY AND BUSINESS IMPROVEMENT DISTRICT

DISTRICT ASSESSMENT ENGINEER'S REPORT

To Whom It May Concern:

I hereby certify to the best of my professional knowledge and experience that each of the identified benefiting parcels located within the renewed Brentwood Village Property Business Improvement District ("Brentwood Village BID") will receive a special benefit over and above the benefits conferred on the public at large and that the amount of the assessment is proportional to, and no greater than the benefits conferred on each respective parcel.

Prepared by Edward V. Henning, California Registered Professional Engineer # 26549



A handwritten signature in black ink, appearing to read "Edward V. Henning", written over a horizontal line.

RPE #26549 April 23, 2012

Edward V. Henning

Date

(NOT VALID WITHOUT SIGNATURE AND CERTIFICATION SEAL HERE)

Introduction

This report serves as the "detailed engineer's report" required by Section 4(b) of Article XIID of the California Constitution (Proposition 218) to support the benefit property assessments levied within the Brentwood Village BID in the City of Los Angeles, California being renewed for a 10 year period. The discussion and analysis contained within constitutes the required "nexus" of rationale between assessment amounts levied and special benefits derived by properties within the Brentwood Village BID.

NOTE: The terminology "identified benefiting parcel" or "property" is used throughout this report pursuant to SB 919 - "Proposition 218 Omnibus Implementation Act" which clarified portions of Prop 218. It provides the Engineer and District Consultant with the ability to actually identify individual parcels which specially benefit directly either in whole or in part from the District funded programs and improvements and does not imply that all parcels receive assessable benefits.

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Background

The Brentwood Village BID is a property-based benefit assessment type district being renewed for a 10 year period pursuant to Section 36600 et seq. of the California Streets and Highways Code, also known as the Property and Business Improvement District Law of 1994 (the "Act").

Due to the benefit assessment nature of assessments levied within a BID, district program costs are to be distributed amongst each and every identified benefiting parcel within the BID based on the proportional amount of program special benefit each parcel is expected to derive from the assessments levied. Within the Act, frequent references are made to the concept of relative "benefit" received from BID programs and activities versus amount of assessment paid. Only those properties expected to derive special benefits from BID funded programs and activities may be assessed and only in an amount proportional to the relative special benefits expected to be received.

The method used to determine special benefits derived by each identified parcel within a BID begins with the selection of a suitable and tangible basic benefit unit. For property related services, such as those proposed in the Brentwood Village BID, the benefit unit may be measured in linear feet of primary street frontage or parcel size in square feet or building size in square feet or number of building floors or proximity to major corridors in average linear feet, or any combination of these factors. Quantity takeoffs for each parcel are then measured or otherwise ascertained. From these figures, the amount of benefit units to be assigned to each property can be calculated. Special circumstances such as unique geography, land uses, development constraints etc. are carefully reviewed relative to specific programs and improvements to be funded by the BID in order to determine any levels of diminished benefit which may apply on a parcel-by-parcel or categorical basis.

Based on the factors described above such as geography and nature of programs and activities proposed, an assessment formula is developed which is derived from a singular or composite basic benefit unit factor or factors. Within the assessment formula, different factors may be assigned different "weights" or percentage of values based on their relationship to programs/services to be funded.

Next, all program and activity costs, including incidental costs, District administration and ancillary program costs, are estimated. It is noted, as stipulated in Proposition 218, and now required of all property based assessment Districts, indirect or general benefits may not be incorporated into the assessment formula and levied on the District properties; only direct or "special" benefits and costs may be considered. Indirect or general benefit costs, if any, must be identified and, if quantifiable, calculated and factored out of the assessment cost basis to produce a "net" cost figure. In addition, Proposition 218 no longer automatically exempts government owned property from being assessed and if special benefit is determined to be conferred upon such properties, they must be assessed in proportion to special benefits conferred in a manner similar to privately owned property assessments.

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From this, the value of a basic benefit unit or “basic net unit cost” can be computed by dividing the total amount of estimated net program costs by the total number of benefit units. The amount of assessment for each parcel can be computed at this time by multiplying the Net Unit Cost times the number of Basic Benefit Units per parcel. This is known as “spreading the assessment” or the “assessment spread” in that all costs are allocated proportionally or “spread” amongst all properties within the BID.

The method and basis of spreading program costs varies from one BID to another based on local geographic conditions, types of programs and activities proposed, and size and development complexity of the District.

Supplemental Proposition 218 Procedures and Requirements

Proposition 218, approved by the voters of California in November of 1996, adds a supplemental array of procedures and requirements to be carried out prior to levying a property-based assessment like the Brentwood Village BID. These requirements are in addition to requirements imposed by State and local assessment enabling laws. These requirements were “chaptered” into law as Article XIII D of the California Constitution.

Since Prop 218 provisions will affect all subsequent calculations to be made in the assessment formula for the Brentwood Village BID, Prop 218 requirements will be taken into account. The key provisions of Prop 218 along with a description of how the Brentwood Village BID complies with each of these provisions are delineated below.

(Note: All section references below pertain to Article XIII of the California Constitution):

Finding 1. From Section 4(a): “Identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed”

There are a total of 29 commercially zoned parcels within the District of which 26 are identified assessed parcels to receive special benefits. It is noted that the three commercial parcels not “identified” within the District contain no buildings on them and, thus, are not assessed in accordance with the applicable assessment methodology in effect for this District and described later in this Report. It is further noted that there are a number of parcels with either residential, institutional or government uses adjacent to the boundary description below which are also not “identified” parcels by virtue of land use and thus, are not included in the BID nor assessed in accordance with the applicable assessment methodology in effect for this District.

The benefits within the BID are special and unique only to the identified parcels within the District because programs and services (i.e. streetscape services; beautification; administration-operations) are only provided directly for the

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special benefit of identified parcels. These identified benefiting parcels are located within the BID perimeter boundary which is shown on the Boundary Map included in the Management District Plan and are listed as an attachment to the Plan and this Report - identified by assessor parcel number. Any future land building construction or modification within the term of the renewed District will adhere to the assessment rate structure described herein.

The Brentwood Village BID includes the area described as follows:

- East and West Barrington Court
- Barrington Ave - Sunset Blvd. on the north to the intersection with Barrington Pl. on the south
- Barrington Walk – between Chayote St. and Barrington Pl.
- Barrington Place - Barrington Ave. on the south to Sunset Blvd. on the north
- Chayote Street - Barrington Ave. on the west to Barrington Place on the east

This area represents one of the core commercial districts in the community of Brentwood, and is unique in its combination and intensity of retail, restaurant and service/office uses.

There are two benefit zones in the renewed district. All BID parcels south of Sunset Boulevard/Chayote Street are located within Benefit Zone 1 and present the highest level for demand for services and will be assessed at the highest assessment rate. All BID parcels north of Sunset Boulevard/Chayote Street are within Benefit Zone 2 and present a moderate level for demand for services due to lower intensity land uses and will be assessed at a lower assessment rate than Zone 1 parcels.

There are two identified parcels within the BID that have mixed zoning designations (i.e. commercial – LAC2 and residential – LAR3). These parcels are APN 4401-006-020 (100 S Barrington Ave/11636 Chayote St) and APN 4401-007-016 (115 S Barrington Ave/11700 W Sunset Blvd). Of note, the residential zoned portions of each parcel are developed only with surface parking lots and, in accordance with the assessment methodology in effect for this BID, do not factor into the assessment calculation levied on these two mixed zoning parcels.

The northern BID boundary is defined by Sunset Boulevard and the east/west portion of Barrington Place. The area north of the east/west portion of Barrington Place is part of the sprawling private Brentwood School property. This land use is deemed not to benefit from BID funded programs and activities and thus, is not included in the BID. All parcels fronting on Sunset Boulevard not in the BID are zoned residential (LAR3) and developed with either high-density apartments or residential condominiums. Pursuant to State Law, parcels zoned solely residential are conclusively presumed not to benefit from the improvements and service funded through these assessments. Thus, parcels fronting Sunset Boulevard are not included in the BID. No services from the existing BID are provided north of Sunset Boulevard or the east/west portion of Barrington Place and, in turn, no special benefits are derived from BID funded services and programs by parcels lying outside the BID. General benefits, if any, are unintentional and unquantifiable.

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The southern BID boundary (west of Barrington Avenue) is defined by a change of zoning (LAR3) and land use to high-density apartments. Pursuant to State Law, parcels zoned solely residential are conclusively presumed not to benefit from the improvements and service funded through these assessments. No services from the existing BID are provided south of the southern BID boundary line and, in turn, no special benefits are derived from BID funded services and programs by parcels lying outside the BID. General benefits, if any, are unintentional and unquantifiable.

The western BID boundary is defined by a change of zoning (LAR3) and land use to high-density apartments and residential condominiums. Pursuant to State Law, parcels zoned solely residential are conclusively presumed not to benefit from the improvements and service funded through these assessments. No services from the existing BID are provided west of the western BID boundary line and, in turn, no special benefits are derived from BID funded services and programs by parcels lying outside the BID. General benefits, if any, are unintentional and unquantifiable.

The eastern BID boundary south of Chayote Street is the centerline of Barrington Place. All properties on the east side of Barrington Place south of Chayote Street are owned by the US Government (Post Office and VA Hospital complex and parking lots. These government owned and occupied parcels are deemed not to benefit from BID funded programs and activities and are thus, not included in the BID. The eastern BID boundary north of Chayote Street is defined by a change of zoning and land use and is part of the sprawling private Brentwood School property. This land use is deemed not to benefit from BID funded programs and activities and thus, is not included in the BID. No services from the existing BID are provided east of the eastern BID boundary and, in turn, no special benefits are derived from BID funded services and programs by parcels lying outside the BID. General benefits, if any, are unintentional and unquantifiable.

All identified parcels within the above-described boundaries are assessed to fund special benefit services, programs and improvements as outlined in this report and the Management District Plan. BID funded activities are only provided to properties inside the District boundaries -- none outside. Each parcel within the District will receive special benefits from District funded programs, services and improvements.

No services from the existing BID are provided to the non-commercial neighborhoods to the north, south, east or west of the BID boundaries and, in turn, no special benefits are derived from BID funded services and programs by parcels lying outside the BID. General benefits, if any, are unintentional and unquantifiable.

Finding 2. From Section 4(a): “Separate general benefits (if any) from the special benefits conferred on parcel(s). Only special benefits are assessable. “

As stipulated by Proposition 218, assessment District programs and activities may confer a combination of general and special benefits to properties, but the only program benefits that can be assessed are those that provide special benefit to the identified parcels. For the purposes of this analysis, a “general benefit” is hereby defined as: “A benefit to properties in the area and in the surrounding community or benefit to the public in general resulting from the

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improvement, activity, or service to be provided by the assessment levied". "Special benefit" as defined by the California State Constitution means a distinct benefit over and above general benefits conferred on real property located in the District or to the public at large.

The property uses within the boundaries of the Brentwood Village BID which receive special benefits from BID funded programs and services are currently a mix of retail, restaurant, service, office and parking. Services, programs and improvements provided by the District are primarily designed to provide special benefits to identified commercial parcels within the boundaries of the district.

Existing City of Los Angeles services are enhanced, not replaced or duplicated, by BID services. In the case of the Brentwood Village BID, the very nature of the purpose of this District is to fund supplemental programs, improvements and services within the BID boundaries above and beyond what is being currently funded either via normal tax supported methods or other funding sources. These services, programs and improvements, are designed to enhance each identified parcel, increase tenancy and marketing of each identified parcel in the BID and improve the aesthetic appearance of streetscape areas adjacent to each identified parcel within the BID. All benefits derived from the assessments levied on parcels within the BID are for services, programs and improvements directly benefiting each parcel within this area and support increased cleanliness, commerce, business attraction and retention, increased property rental income and improved identity. No services are provided beyond the BID boundaries.

Improvements and Activities: The following are the improvements and activities funded by the Brentwood Village Business Improvement District:

1) **Streetscape Services (cleaning, litter pickup, landscape upkeep, trash bin cleaning):** This program element funds various supplemental streetscape services performed by subcontract vendors within the streetscape areas within the BID. Included are regular disposal of trash in streetscape bins; pick up excessive litter and debris in streetscape area; pressure washing of trash bin and streetscape areas; and, landscape upkeep on an "as needed" basis. The following describes the projected frequencies of regular streetscape services:

1. One time per month, clean and cultivate, as needed, all tree well planters, stand alone planters and single round planters.
2. Install new plant materials in all streetscape planter areas up to 3 times per year plus a special planting during the year end Holiday season.
3. Weekly cleaning of the Village fountain and periodic water changes.
4. Up to 5 times per week, trash bins will be emptied and bags replaced. Also at this time the area around the

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receptacles will be cleaned of all trash and debris.

5. Pressure washing of all streetscape areas up to 11 times per year and pressure washing of trash bins as needed, up to 6 times per year.
6. Pickup excessive litter and debris in streetscape areas, as needed.
7. Replace and repair trash can hardware, fountain parts and remove graffiti, as needed
8. Trim and prune landscaping, as needed

It is noted that while the programmed frequency of services is generally the same within both Benefit Zones 1 and 2, the concentration and quantity of trash and debris and demand for streetscape services within Zone 2 has been found to be less than Zone 1 and thus the expense of providing these services to parcels in Zone 2 is less than for parcels in Zone 1. In turn, the special benefits provided to Zone 2 parcels are less than Zone 1 parcels and in the opinion of this Assessment Engineer, the assessment rate is thus, reduced by 25% or set at 75% of the Zone 1 assessment rate.

These supplemental streetscape services directly benefit each parcel within the BID by creating positive perceptions of the Brentwood Village District as an attractive and pedestrian-friendly shopping and dining area. Regular and professional streetscape care presents a clean and caring appearance of a well managed and successful business center for the direct and special benefit of each parcel within the BID.

Each supplemental streetscape service assists in beautifying the BID areas adjacent to each parcel within the BID and enhances the image of this commercial core and the public streetscape areas adjacent to each parcel within it. This activity is designed to increase commerce through increased customers, clients and sales and attract and attract and retain businesses for the benefit of each parcel within the BID. These supplemental streetscape services will only be provided within the BID boundaries for the direct benefit of each parcel within the BID; therefore these services constitute "special benefits" to each assessed parcel.

The cost of providing supplemental streetscape services for 2013 is estimated at \$54,000, or 72.0% of the 2013 budget.

2) Beautification: This program element will include holiday lighting on street trees and buildings within the BID. These amenities are intended to enhance the appeal and attraction of each parcel within the BID during the year end holiday season which is usually the busiest and most profitable part of the year for many Brentwood Village businesses. It is noted that BID funds may be further supplemented by annual holiday decoration grants from the Los Angeles Department of Water and Power.

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Any BID funded amenities will only be provided within the BID boundaries and only for the direct benefit of each identified parcel within the BID; therefore funding these amenities constitute "special benefits" to each assessed parcel.

The cost of funding amenities for 2013 is estimated at \$8,500, or 11.3% of the 2013 Budget.

3) Administration/Operations: This program element funds the costs for day to day contract management, preparation of regular BID related reports, office expenses, legal fees, City/County assessment district fees, accounting/bookkeeping fees, Directors & Officers and General Liability insurance and a contingency fund for unforeseen expenses and unpaid assessments.

This component is key to the proper expenditure of BID assessment funds and the administration of BID programs and activities which are intended to benefit each parcel within the BID through increased commerce through increased customers, clients and sales and the attraction and retention of businesses. Because this program exists only for the direct benefit of each parcel within the BID and will only be provided for matters occurring within the BID boundaries, this program constitutes a "special benefit" to each assessed parcel.

The cost of providing administration for 2013 is estimated at \$12,500, or 16.7% of the 2013 Budget.

Each of these programs and activities work together to create a more pleasing environment within the district that is conducive to strengthening the current and future economic vitality of this commercial core through the attraction and retention of new business and increased commerce for the benefit of each identified District parcel. The programs, improvements and services are designed to specifically benefit properties within the BID boundaries. The BID assessments are only levied on identified properties within the BID boundaries and assessment revenues are spent to deliver services that provide a direct and special benefit to assessed parcels and to improve the economic vitality of these properties. Inasmuch as no services are provided beyond the BID boundaries to the surrounding communities or to the public in general, any general benefit is unintentional. It is hereby determined that general benefits, if any, are not quantifiable, measurable, or tangible.

Estimated 2013 BID Assessment Expenditures

Streetscape:

Landscaping	12,600
Planting	7,000
Tree Trimming	3,000
Fountain Cleaning	1,500
Replacement/Repair	500
Sidewalk Cleaning	13,500
Trash Pick-Up	15,000
Trash Can Cleaning	900
<u>SUBTOTAL: \$54,000</u>	

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Beautification:

Holiday Lights	8,500
<u>SUBTOTAL: \$8,500</u>	

Administration/Operations

Brentwood Village BID Insurance	2,700
City/County Collection Costs	3,600
Contingency	1,000
Accounting Services	4,000
Bookkeeping Services	1,200
<u>SUBTOTAL: \$12,500</u>	

Total Estimated Assessment Expenditures	\$75,000
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Finding 3. From Section 4(a): “(Determine) the proportionate special benefit derived by each parcel in relationship to the entirety of the.....cost of public improvement(s) or the maintenance and operation expenses.....or the cost of the property related service being provided.

Each identified parcel within the district is assessed based on a property characteristic (ground floor building area) unique only to that parcel. The calculated assessment rate is applied to the actual measured parameter of each parcel and thereby is proportional to each and every other identified parcel within the district as a whole. Parcels with larger ground floor building areas impact the demand for services and programs to a greater extent than smaller ones and thus are assigned a higher proportionate degree of assessment program and service costs.

The proportionate special benefit cost for each parcel has been calculated based on the adopted assessment formula and is listed as an attachment to the Management District Plan and this Report. The individual percentages (i.e. proportionate relationship to the total special benefit related program and activity costs) is computed by dividing the individual parcel assessment by the total special benefit program costs.

Finding 4. From Section 4(a): “No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

Not only are the proposed program costs reasonable due to the benefit of group purchasing and contracting which is possible through the Brentwood Village BID, they are also considerably less than other options considered by the Brentwood Village BID proponent group. The actual assessment rate for each parcel within the BID directly relate to the level of special benefit service to be provided to each identified parcel within the District based on the respective measurement of Brentwood Boulevard street frontage of each parcel.

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Finding 5. From Section 4(a): “Parcels.....that are owned or used by any (public) agency shall not be exempt from assessment.....”

There are no publicly owned parcels at this time within the Brentwood Village BID. Should any BID parcel be acquired by a government entity in the future, such entity would have to provide clear and convincing evidence that they receive no or diminished special benefit from BID funded improvements and activities in order to be assessed differently than privately owned parcels.

Finding 6. From Section 4(b): “All assessments must be supported by a detailed engineer’s report prepared by a registered professional engineer certified by the State of California”.

This report serves as the “detailed engineer’s report” to support the benefit property assessments levied within the Brentwood Village BID.

Finding 7. From Section 4(c): “The amount of the (proposed) assessment for each parcel shall be calculated (along with) the total amount thereof chargeable to the entire district, the duration of such payments, the reason for such assessment and the basis upon which the amount of the (proposed) assessment was calculated.”

The individual and total parcel assessments attributable to special property benefits are shown on Appendix 1 to the Management District Plan and this Report. The District and resultant assessment payments will continue for 10 years and may be renewed again at that time. The reasons (purposes) for the assessments are outlined in Finding 2 above as well as in the Management District Plan. The calculation basis of the assessment is attributed 100% to the amount of ground floor building area. There are two benefit zones.

Assessment Formula Methodology

Step 1. Select “Basic Benefit Unit(s)”

BID assessment formulas typically are based on either property street frontage or parcel and building size or location, all which relate to the amount of special benefit conferred on a particular parcel and the proportionate assessment to be paid. The formula may base assessments on a single factor or a combination of factors. Separate benefit zones may be identified for varying levels of special benefits provided to District parcels.

Based on the specific needs and corresponding nature of the program activities funded by the Brentwood Village BID (i.e. streetscape services; beautification; administration-operations), it is the opinion of this Assessment Engineer that the assessment factor on which to base assessment rates relate directly to the proportionate amount of ground floor building

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area, if any, on each parcel. Using a single assessment factor like ground floor building area is an appropriate application in a commercial area like Brentwood Village where the development density is fairly homogeneous with one and two story buildings.

Ground floor building area is a direct measure of the static utilization of each parcel and its corresponding impact or draw on BID funded activities such as streetscape services; beautification; administration-operations. In the opinion of this Assessment Engineer, the targeted weight of this factor, ground floor building area, should generate 100% of the total BID revenue

The application of ground floor building area quantities is a proven method of fairly and equitably spreading special benefit costs to the primary beneficiaries of BID funded services, programs and improvements. This factor directly relates to the degree of special benefit each parcel receives from BID funded activities.

The "Basic Benefit Unit" will be expressed as a function of ground floor building area (Benefit Unit "A"). Based on the shape of the Brentwood Village BID, as well as the nature of the District program elements, it is determined that all identified commercial parcels will gain a direct and proportionate degree of benefit based on the respective amount of ground floor building area within two benefit zones.

Step 2. Quantify Total Basic Benefit Units

Taking into account all identified benefiting properties and their respective assessable benefit units, there are 95,471 square feet of ground floor building area within the BID (Benefit Units A). Of this total, 69,424 sq ft are located in Zone 1 (Benefit Units A-1) and 26,047 sq ft are located in Zone 2 (Benefit Units A-2).

Assessable Quantities

Zone	Assessment Factor	Total Quantity (Sq Ft)
1	Ground floor bldg area	69,424
2	Ground floor bldg area	26,047
	TOTAL	95,471

Step 3. Calculate Benefit Units for Each Property.

The number of Benefit Units for each identified benefiting parcel within the Brentwood Village BID was computed from data extracted from Los Angeles County Assessor records and individual property owner surveys. While it is understood that this data does not represent legal field survey measurements or detailed title search of recorded land

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subdivision maps, it does provide an acceptable basis for the purpose of calculating property based assessments. All respective property data used for assessment computations has been provided to each property owner in the BID for their review and verification. All known or reported discrepancies, errors or misinformation have been corrected.

Step 4. Determine Assessment Formula

Based on the nature of the programs to be funded as well as other rationale outlined in Step 1 above, it has been determined that the Brentwood Village BID assessments are to be based on ground floor building area within two benefit zones. In the opinion of this Assessment Engineer, the Zone 2 rate is to be set at 75% of the Zone 1 rate. The targeted assessment formula component weight is: 100% for Benefit Units A-1 and A-2 – ground floor building area.

Computing Assessment Formula Unit Costs (2013):

Zone 1: A-1 Unit Cost

$$[(69,424) \times (A-1)] + [(26,047) \times (A-1) \times (0.75)] = \$75,000$$

$$(69,424 + 19,535.25) \times A-1 = \$75,000$$

$$88,859.25 \times A-1 = \$75,000$$

$$A-1 = \$75,000 / 88,859.25 \text{ units}$$

$$A-1 = \$0.8430826 \text{ per sq ft of ground floor building area}$$

Zone 2: A-2 Unit Cost

$$A-2 = 0.75 \times \text{Zone 1 rate} = \$0.8430826 \times 0.75$$

$$A-2 = \$0.632312 \text{ per sq ft of ground floor building area}$$

2013 Assessment Rate Schedule and Application:

The assessment formula for Zone 1 parcels is:

$$[\text{Ground floor building area (square feet)} \times \$0.8430826 \text{ per sq ft of ground floor building area}]$$

The assessment formula for Zone 2 parcels is:

$$[\text{Ground floor building area (square feet)} \times \$0.632312 \text{ per sq ft of ground floor building area}]$$

Future Development

As future new development occurs within the District, current property characteristics and building areas may also change. This may occur due to various land and building related modifications such as new subdivisions, lot line adjustments, reversions to acreage, parcel consolidations, new building construction, additions and demolitions. In

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turn, individual ground floor building area measurements may also change. Any such modifications will result in recalculation of assessments for new and/or modified parcels and/or buildings based on the assessment rate in affect when such changes occur in accordance with future maximum rates and the assessment methodology delineated in this Report. In the case of any multi-floor commercial condominium development or conversion, only ground floor units would be assessed and for their respective ground floor building pad areas. Residential condominiums would not be assessed in that it is presumed that such a land use would not benefit from BID funded improvements and activities.

It is noted that any change in assessment formula methodology or rates other than as stipulated in this Report would require a new Proposition 218 ballot procedure in order to approve any such changes.

Step 5. Estimate Total District Costs

The total District projected costs for 2013-2022 are shown below in Table 1.

TABLE 1
Projected Major Program and Activity Costs 2013-2022
(assume 5% increase over prior year)

Assessment Year	Streetscape Services	Beautification	Administration - Operations	TOTAL
2013	\$54,000	\$8,500	\$12,500	\$75,000
2014	\$56,700	\$8,925	\$13,125	\$78,750
2015	\$59,535	\$9,371	\$13,781	\$82,687
2016	\$62,512	\$9,840	\$14,470	\$86,822
2017	\$65,637	\$10,332	\$15,194	\$91,163
2018	\$68,919	\$10,848	\$15,954	\$95,721
2019	\$72,365	\$11,391	\$16,751	\$100,507
2020	\$75,983	\$11,960	\$17,589	\$105,533
2021	\$79,783	\$12,558	\$18,468	\$110,809
2022	\$83,772	\$13,186	\$19,392	\$116,350

Step 6. Separate General Benefits from Special Benefits and Related Costs (Prop 218)

All benefits derived from the assessments outlined in the Management District Plan and this Report are for supplemental services, programs and improvements directly benefiting the identified properties within the BID. All BID funded activities are provided solely to properties within the Brentwood Village BID. All services are delivered only within the boundaries and designed only for the direct special benefit of the identified assessed properties in the BID. No services are provided to non-assessed parcels outside the BID boundaries. Any potential spill over effect is unquantifiable as previously discussed in this report. Thus, all general benefits (if any) within or outside of the BID,

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are inadvertent, intangible and immeasurable. Total 2013 District revenues are shown below in Table 2.

TABLE 2
Total 2013 District Revenues

Funding Source	Revenue	% of Total
BID Assessments	\$75,000	100.00%
TOTAL DISTRICT REVENUE	\$75,000	100.00%

Step 7. Calculate "Basic Unit Cost"

With a 2013 budget of \$75,000 (special benefit only), the Basic Unit Costs are shown above in Step 4. Since the BID is being renewed for a 10 year term, maximum assessments for future years (2014-2022) must be set at the renewal point of the BID. *An annual flat inflationary assessment rate increase of up to 5% either may be imposed each year for Years 2014-2022*, on approval by the BID Property Owner's Association. The maximum assessment rates for 2013-2022 are shown below in Table 3.

TABLE 3
Year 1-10 Maximum and Projected District Assessment Rates

Zone 1 Rate (\$/SF)	Zone 2 Rate (\$/SF)	Projected Zone 1 Assessment Revenue	Projected Zone 2 Assessment Revenue	Total Projected Assessment Revenue
\$0.8430826	\$0.6323120	\$58,530	\$16,470	\$75,000
\$0.8852367	\$0.6639276	\$61,457	\$17,293	\$78,750
\$0.9294986	\$0.6971240	\$64,530	\$18,158	\$82,687
\$0.9759735	\$0.7319802	\$67,756	\$19,066	\$86,822
\$1.0247722	\$0.7685792	\$71,144	\$20,019	\$91,163
\$1.0760108	\$0.8070081	\$74,701	\$21,020	\$95,721
\$1.1298113	\$0.8473586	\$78,436	\$22,071	\$100,507
\$1.1863019	\$0.8897265	\$82,358	\$23,175	\$105,533
\$1.2456170	\$0.9342128	\$86,476	\$24,333	\$110,809
\$1.3078978	\$0.9809234	\$90,799	\$25,550	\$116,350

(assumes maximum 5% increase over prior year rates)

Step 8. Spread the Assessments

The resultant assessment spread calculation results for each parcel within the BID are shown in the Management District Plan and were determined by applying the District assessment formula to each identified benefiting parcel.

APPENDIX 1

YEAR 2013
ASSESSMENT ROLL

THE BRENTWOOD VILLAGE PROPERTY AND BUSINESS IMPROVEMENT DISTRICT

YEAR 2013 ASSESSMENT ROLL

APN	2013 Assessment
4401-006-003	\$1,643.17
4401-006-004	\$2,185.27
4401-006-005	\$1,547.06
4401-006-006	\$2,650.65
4401-006-009	\$1,681.95
4401-006-010	\$1,534.41
4401-006-011	\$2,887.56
4401-006-012	\$8,749.51
4401-006-013	\$1,795.77
4401-006-014	\$2,815.90
4401-006-018	\$3,957.43
4401-006-019	\$0.00
4401-006-020	\$4,532.41
4401-007-001	\$2,860.58
4401-007-006	\$2,573.09
4401-007-007	\$2,100.12
4401-007-008	\$4,518.92
4401-007-016	\$1,770.47
4401-007-017	\$0.00
4401-007-018	\$8,725.90
4365-004-029	\$2,423.02
4365-004-030	\$1,872.91
4365-004-031	\$1,063.55
4365-004-034	\$1,264.62
4402-008-010	\$2,891.56
4402-008-011	\$2,024.03
4402-008-012	\$2,806.20
4402-008-013	\$2,123.94
4402-008-014	\$0.00
	\$75,000.00